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August 17, 1999

Daniel C. Sheppard
Gold Terra, Incorporated
P.O. Box 783
Price, Utah 84501

Re: Notice of Intent to Commence Small Mining Operations, Black Butte Mine, ML 47708
Emery County, Utah (S/015/080)

Dear Mr. Sheppard:

Thank you for submitting your revised, July 13, 1999, Notice of Intent ("NOI") to Commence Small Mining Operations on lands encompassed by metalliferous minerals lease ML 47708. The proposed small mine site is located in the SE $\frac{1}{4}$ of Section 2, T. 20 S., R. 14 E. SLB&M, in Emery County, Utah..

The staff of the School and Institutional Trust Lands Administration ("Trust Lands Administration") has reviewed the revised plans and have concluded that all the notification requirement of the Trust Lands Administration have been satisfied. The revised NOI includes: reducing the mine site area to a block 425 feet square (4.15 acres); the existing eight foot wide access road will be increased to a width of 14 feet, only the additional 6 feet will be considered new disturbance; the existing road, where required, will be graveled; and creating a new section of access road 500 feet long by 14 feet wide to avoid impacts to the "historic dam site. Based on these revisions the surface disturbance for this small mine NOI would include: the mine site at 4.15 acres, the additional 3,693 feet of increased road width at 0.51 acres, and the new road at 0.16 acres. The total project disturbance is estimated at 4.82 acres. The Trust Lands Administration will require reclamation of the newly created section of the access road, the graveled sections of the existing road and the increased width of the existing road.

The Division of Oil, Gas and Mining will require seeding of the mined area, however, a revegetation success standard will not apply to the mined area as there is presently little or no vegetation.